

The complaint

Mr G complains that Trading 212 UK Limited (“T212”) unfairly restricted the trading on his contract for differences (“CFD”) trading account.

What happened

Mr G opened a CFD trading account with T212 in March 2024. He traded on this account across April and May 2024 before fully withdrawing his remaining balance on 22 May 2024.

Prior to withdrawing his remaining funds, T212 restricted his trading account and did so on at least five occasions. T212 says each time a restriction was put in place it sent Mr G an email explaining, in summary, that it had concerns about the pattern of usage on his account and warned it would be placing a restriction on it to prevent the opening of new positions if his usage didn’t change.

Initially this restriction was for 24 hours, followed by a further two restrictions of 24 hours. The fourth notice restricted him from opening new positions for five days before an indefinite restriction was placed on his account, prompting Mr G to withdraw his remaining balance.

Unhappy with what he considered to be unfair treatment, Mr G complained to T212 about the actions it took on his account, which he felt only happened when he was in profitable positions, and the tone of its communications with him about it. While T212 considered his complaint it didn’t agree it should be upheld. In summary, it said:

- It has systems in place to detect potential vulnerability and was acting in line with its regulatory obligations in doing so.
- In certain circumstances it can restrict the activity on the account, which is what happened in his case.
- Emails were sent to him communicating the concerns it had and if there was no action following those then that would lead to trading suspensions. It didn’t consider the tone of these to be threatening.
- The restrictions didn’t prevent him from closing positions, and he continued to have that discretion during the restrictions.

One of our Investigators looked into Mr G’s complaint but didn’t uphold it. In summary he said:

- The patterns which triggered T212’s restrictions and related communications weren’t unreasonable where there was evidence of significant losses in a short period.
- The email content intended to communicate such concern, the consequences of not changing how the account was being used and creating friction where vulnerability had been identified.
- While those emails could’ve been more informative, it was reasonably clear why T212 were sending them.
- He hadn’t seen T212 affected his trading decisions or that the restrictions were

influenced by his trading successes.

T212 agreed with our Investigator's outcome, Mr G didn't. In responding to our Investigator, he said:

- Our Investigator's findings didn't account for the profitable position he was in when restrictions were put in place.
- It wasn't clear to him why the restrictions were triggered and feels T212 had a conflict of interest in doing so where he was trading profitably.
- He didn't agree he was required to explain his financial circumstances to the firm.

Our Investigator considered Mr G's response, but his findings remained unchanged. As an agreement couldn't be reached the complaint was passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

When Mr G opened his CFD trading account with T212, he would've agreed to the terms and conditions of that service. While I've not seen the signed agreement itself, I'm satisfied it's likely Mr G agreed to them – otherwise T212 wouldn't have provided him with the services it did.

Within those terms is a section which sets out the situations where T212 can put an account into what it calls a 'close-only' limitation – in my view these are the restrictions Mr G encountered.

This says at 6.5 the following:

"We reserve the right to place a Close-only Limitation in the following cases immediately:

(...)

e. We have reasonable grounds to believe that allowing You to continue trading will be detrimental to Us, You as a client, other clients of Us and/or financial markets.

In the above situations, We will notify you upon placement of a Close-only Limitation."

I'm satisfied T212 having such a clause within its terms isn't unreasonable or treating Mr G unfairly. In my view this term is in place to give T212 options to control account behaviour if it has concerns, which must be reasonable, about the trading being carried out. Regardless of whether the impact of those concerns are against it, Mr G, other clients or the financial markets more generally, it allows itself the ability to place restrictions on the account. Giving itself that flexibility, in my view, would be acting within T212's regulatory obligations. However, when applying these terms to a particular situation, it must do so in a fair and reasonable manner.

T212 has said, and provided evidence, that it sent notice of and restricted Mr G's account because of the losses, charges and deposits were disproportionate to the information Mr G gave to T212 when he opened his account with it. During the account opening process, Mr G declared his income as £50,000 to £99,999, with savings and investments of £30,000 to

£99,999. Another question asked Mr G to describe the impact on him if he lost the money he invested with T212, which he answered “medium” to.

The evidence provided shows from 13 March 2024, when Mr G placed his first trade, until his last on 22 May 2024 he had incurred net losses of £68,155.70. This was against total deposits of £72,578.87 from the 447 positions he opened.

I’ve carefully considered the trading activity and what Mr G has said around this. In my view given the high volume of trades and the losses incurred from those in just over two months, I can’t fairly say it was unreasonable T212 had concerns about the impact Mr G’s trading patterns might be having on him. Importantly it didn’t immediately restrict his account, it informed him that it had concerns and explained if he didn’t change his trading behaviour then temporary restrictions would be put in place. While I’ve not seen when these notices were sent – only the content of them has been provided – I don’t think I need to. I say this because in my view the trading history on the account evidence Mr G initially started by trading profitably, before incurring losses in the low thousands, before returning to profitability but then back into losses around £20,000, from where they over time increased steadily to almost £70,000. Looking at the progression of losses on the account, I’m satisfied they are in line with the notices T212 sent Mr G. It follows then that in my view it’s likely T212 sent these notices at a fair time when Mr G’s trading activity wasn’t changing and was triggered initially by the increasing loss activity on his account.

As far as whether the restrictions themselves were applied fairly, the losses Mr G was incurring were a significant proportion of the amount he invested and took place over a very short period. Compared to his disclosed financial circumstances these losses were comparatively high to that information, which he had only recently provided to the firm. It isn’t unreasonable then, in my view, that T212 had concerns about the affordability of Mr G’s trading, and the potential detriment that could have on him based on what it had been told about his financial position. T212 has provided evidence showing the factors that contributed to its decision to send restriction notices to his account, and I’m satisfied those fairly reflect the concerns it had.

I’m satisfied then T212’s response to send restriction notices, and eventually restrict the account from opening new positions, was proportionate. I say this because it contacted Mr G allowing him an opportunity to make changes to how he used the account or inform T212 about changes to his financial circumstances that might’ve demonstrated his trading activity was affordable. I’m also satisfied progressively increasing the restrictions was fair where T212 had informed him of its concerns and his trading behaviour hadn’t changed, leading to the eventual indefinite restriction that was imposed.

It follows then that in my view I’ve not been persuaded T212 was acting unfairly towards Mr G in either how or why it put in place the restrictions it did.

Mr G feels where he was trading profitably at times, and I note in particular during his later group of trades, that T212 had a conflict of interest when it restricted his account. I’ve considered this point carefully, but I’m not persuaded T212’s decision to place restrictions on his account arose from any conflicts of interest it may have had in Mr G’s positions.

I say this because the evidence persuades me the account was in a significant loss position and the prospects of Mr G being able to trade out of that position, given his declared financial position and the proportion of clients who incur losses trading CFDs, was unlikely. The trading activity demonstrates that Mr G hadn’t changed his behaviours, as T212 had asked him to do. And if he was of the opinion he had additional financial resources to those he declared which would change T212’s view on the affordability of his trading behaviour, that was for him to share with T212. I’m satisfied T212 didn’t need to proactively ask for this

where the information it had was recently provided to it. I'm also satisfied that terms in place around these restrictions exist, and were applied here, to protect Mr G, T212 and the wider financial markets. And for the reasons given above have been applied in a fair manner in this case as opposed to T212 using that position unfairly to benefit itself.

I do agree that T212's communications could've been more specific but overall, I think its overall message was sufficiently clear and would be reasonably understood given the losses and the short duration they were incurred in. I've also considered the tone within these and I'm satisfied they aren't threatening in their message and are instead drafted to be reasonably informative as to the concerns it has and the requirement for Mr G to action to address.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 June 2025.

Ken Roberts
Ombudsman